# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5182
ANSWERED ON:11.05.2007
LOANS TO UNEMPLOYED PERSONS
Kaushal Shri Raghuvir Singh

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government is aware that the banks are delaying in providing loans to the unemployed persons under the `Pradhan Mantri Swarozgar Yojana`;

(b) if so, the number of the cases reported during each of the last three years, State-wise;

(c) whether the Government is considering to make a quarterly review performance of the district industry centers and the banks in this regard; and

(d) if so, the details thereof?

## Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE) (SHRI PA WAN KUMAR BANSAL)

(a) & (b): Applications for loans under Prime Minister`s Razgar Yojana(PMRY) are processed after due scrutiny by the Task Force, which involves the District Industries Centre(DIC), officials from the concerned Government departments arid the banks. Thereafter, the names of approved candidates by the Task Force are sponsored to the bank branches by the DIC. The bank branches, in turn, undertake detailed scrutiny of the applications. Eligible applicants, considering the targets of the individual banks, are sanctioned loans by the banks. Processing of cases,therefore may take some time. In addition, the following reasons also attribute to delay in sanctioning and disbursement of loans under the scheme:

(i) Non-sponsoring of quality loan applications by Task Force Committees.

(ii) Lack of viable and income generating activities and saturated level of popular activities.

(iii) Lack of necessary infrastructure and back/forward linkage.

(iv) Delay in obtaining necessary approval/clearance from different Government agencies for undertaking the activity.

(v) Delay in allotment of shed, power connection, water supply, etc.
The Central Office, Reserve Bank of India (RBI) has received 30 complaints during 2006 regarding delay in sanction/disbursement/insistence on collaterals for loans under PMRY, which are reported to have been disposed of.

(c) & (d): At present there is no proposal to review the performance at the level of the DIC and participating Banks. However, the performance of PMRY is reviewed from time to time. A quarterly schedule for sponsoring applications by DIC and for sanction and disbursement by banks has been laid down for strict adherence. Further, the banks have been advised to dispose of applications for loans up to Rs.25,000/- within two weeks and Rs.2 lakh (limit under the scheme) within four weeks provided the applications are complete in all respects. The banks have also been advised not to insist upon `No Dues Certificate` in case the applicant does not get it within 15 days from the other banks in the area.